



**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2006-2007**

June 17, 2011

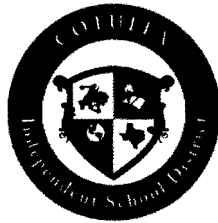
Richard S. Tollett, Jr.  
Cotulla Independent School District  
310 North Main St.  
Cotulla, TX 78014

Re: Applicant Name: COTULLA INDEP SCHOOL DISTRICT  
Billed Entity Number: 141471  
Form 471 Application Number: 524060  
Funding Request Number(s): 1443447, 1471712, 1471777  
Decision Letter Date: March 29, 2011  
Date Appeal Postmarked: June 07, 2011  
Your Correspondence Received: June 07, 2011

Our records show that your appeal was postmarked more than 60 days after the date your Commitment Adjustment Letter was issued, as shown above. Federal Communications Commission (FCC) rules require applicants to postmark appeals within 60 days of the date on the decision letter being appealed. FCC rules do not permit the Universal Service Administrative Company (USAC) to consider your appeal.

If you believe there is a basis for further examination of your application, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

Schools and Libraries Division  
Universal Service Administrative Company



Richard Tollett  
Technology Director  
[rtollett@cotullaisd.net](mailto:rtollett@cotullaisd.net)  
830-879-3073

June 27, 2011

Request for Review  
Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
9300 East Hampton Drive  
Capitol Heights, MD 20743

Reference  
CC Docket No. 96-45  
CC Docket No. 02-6

**To Whom It May Concern:**

We are writing to appeal the decision made on June 17, 2011 by the Schools and Libraries Division (SLD) of the Universal Service Administration Company to recover disbursed funds (Commitment Adjustment - COMAD) from Cotulla ISD for funding requests (FRN's) 1443447, 1471712, and 1471777 FCC Form 471 524060 for funding year 2006.

**Appellant**

Contact Name:	Richard Tollett
Address:	310 N. Main Street Cotulla, Texas 78014
Telephone Number:	(830) 879-3073
Fax Number:	(830) 879-3609
E-Mail Address:	<a href="mailto:rtollett@cotullaisd.net">rtollett@cotullaisd.net</a>
Applicant Name:	Cotulla Independent School District
Billed Entity Number:	141471
471 Application Number:	524060
FRN's:	1443447, 1471712, and 1471777

## **Background Information**

Under the E-Rate program, eligible schools, libraries, and consortia that include eligible schools and libraries may apply for discounts for eligible telecommunications services, Internet access, and internal connections. USAC examines applications in accordance with E-Rate program rules, and such scrutiny may result in requests by USAC for additional information from applicants. If the applicant fails to provide the additional information requested, USAC may deny the application.

During the 2006 – 2007 application process USAC PIA examination requests for documentation was made and Cotulla ISD supplied all documents requested. After a rather long process and careful PIA consideration, Cotulla ISD was approved in appeal wave A40 and Cotulla ISD received services and equipment as per each FRN, paid their invoices, and reimbursements were made to the appropriate party.

An audit of Cotulla ISD was conducted by KPMG and on July 14, 2009, KPMG submitted an “Independent Accountants’ Report” stating the results of their audit. The Year Nine (YR 2006 – 2007) communication between Cotulla ISD and the audit team of KPMG has resulted in an unfortunate potential economic tragedy; i.e., jeopardizing over \$112,000.00 dollars of E-Rate discount funding authorized by the Administrator and spent by Cotulla ID for services. During KPMG’s audit, since all of the personnel that were there at the time of audit are no longer with the district, we are not sure what information was requested by KPMG and what Cotulla presented to KPMG concerning the eligibility of students in the National School Lunch Program (NSLP). However, it is obvious that KPMG used the Texas Education Agency (TEA) data that is produced by the agency after a school year is over. As is traditionally the case throughout the state, some of the students in the upper grades failed to turn in their applications because: a) they knew their younger sibling was turning in this form and they did not feel it was necessary to turn their form in to the food service director, or b) the student just did not turn the form in. The numbers that are on the TEA report for 2006 funding year did not match the numbers that were submitted by Cotulla ISD for this year’s E-Rate application.

In the state of Texas, the Texas Department of Agriculture (TXDOA) is the agency that collects NSLP data. Cotulla ISD has contacted Texas Department of Agriculture to allow this appeal team to review the accurate student eligibility for Cotulla ISD. Schedule A report is being submitted as part of our supporting documentation for this appeal. You will note that the “Program Year” listed at the top of the report indicates 2007. This report runs from July 1, 2006 through June 30, 2007 and is entitled 2007 to represent the school year.

**FRN: 1443447**

This is a request for Internal Connections MNT from TRC Computer Services, Inc Spin (143023315). Cotulla ISD received services, paid their invoices, and reimbursements were made to the appropriate party.

The reason given for the COMAD was:

After a thorough review, it was determined that the funding commitment for this request must be rescinded in full. On the original Form 471 the applicant was approved at 90 percent discount. FCC rules indicate that the level of poverty shall be measured by the percentage of the student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism. During the course of a review it was determined that the applicant is only eligible to receive an 80 percent discount. This determination was based on documentation reviewed during the Appeal review. Pursuant to the FCC rules, requests for internal connections are given second priority and, when demand for discounts for internal connections exceeds available support, funding should be awarded first to applicants eligible for 90% discount level and then at each descending single discount percentage level until funds are depleted. Since it was determined that your FY 2006 request for funding was for Basic Maintenance on Internal Connections and approved for 80%, and taking into account a fact that there were not sufficient funds for FY 2006 to provide Basic Maintenance on Internal Connections to applicants at your discount rate, your funding commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

**We are requesting this COMAD amount be reduced from 80% to 87% because the attached "Schedule A" (from the Texas Department of Agriculture) shows that the correct NSLP data for this FRN (which is the shared discount of the district) is 87% instead of 80%.**

**FRN: 1471712**

This is a request for Internal Connections MNT from TRC Computer Services, Inc Spin (143023315). Cotulla ISD received services, paid their invoices, and reimbursements were made to the appropriate party.

The reason given for the COMAD was:

After a thorough review, it was determined that the funding commitment for this request must be rescinded in full. On the original Form 471 the applicant was approved at 90 percent discount. FCC rules indicate that the level of poverty shall be measured by the percentage of the student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism. During the course of a review it was

determined that the applicant is only eligible to receive an 81 percent discount. This determination was based on documentation reviewed during the Appeal review. Pursuant to the FCC rules , requests f o r internal connections are given second priority and , when demand for discounts for internal connections exceeds available support , funding should be awarded first to applicants eligible f o r 90% discount level and then at each des c ending single discount percentage level until funds are depleted . Since it was determined that your FY 2006 request for funding was for Basic Maintenance on Internal Connections and approved for 81%, and taking into account a fact that there were not sufficient funds for FY 2006 to provide Basic Maintenance on Internal Connections to applicants at your discount rate, your funding commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant .

**We are requesting this COMAD amount be reduced from 81% to 87% because the attached "Schedule A" (from the Texas Department of Agriculture) shows that the correct NSLP data for this FRN (which is the shared discount of the district) is 87% instead of 81%.**

**FRN: 1471777**

This is a request for Internal Connections MNT from TRC Computer Services, Inc Spin (143023315). Cotulla ISD received services, paid their invoices, and reimbursements were made to the appropriate party.

The reason given for the COMAD was:

After a thorough review, it was determined that the funding commitment f o r this request must be rescinded in full. On the original Form 471 the applicant was approved at 90 percent discount . FCC rules indicate that the level of poverty shall be measured by the percentage of the student enrollment that is eligible for a free or reduced price lunch under the national school lunch program o r a federally-approved alternative mechanism. During the course o f a review it was determined that the applicant is only eligible to receive an 80 percent discount. This determination was based on documentation reviewed during the Appeal review. Pursuant to the FCC rules, requests f or internal connections are given second priority and , when demand f or discount s f o r internal connections exceeds available support , funding should be awarded first to applicants eligible for 90% discount level and then a t each descending single discount percentage level until funds are depleted. Since i t was determined that y our FY 2006 request for funding was for Basic Maintenance on Internal Connections and approved for 80%, and taking into account a fact that there were not sufficient funds f or FY 2006 to provide Basic Maintenance on Internal Connections to applicants at your discount rate , your funding commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant .

**We are requesting this COMAD amount be reduced from 80% to 87% because the attached "Schedule A" (from the Texas Department of Agriculture) shows that the correct NSLP data for this FRN (which is the shared discount of the district) is 87% instead of 80%.**

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Tollett, Jr.", written in a cursive style.

Richard S Tollett, Jr  
Director of Technology  
Cotulla ISD

Enclosures:

Revised Block 4  
Schedule A from TXDOA

## Schedule A

[Send Comments](#) | [Get Help](#)

District Name: COTULLA ISD

District Number: 142901

City: COTULLA

Program Year: 2007

Status: APPR

Schedule A data is as follows:

Campus Number	Campus Name	Total Enrollment	Total Eligible	Percentage	NSLP	SBP	Snack	Campus Status
001	COTULLA H S	319	223	70%	Y	Y	N	Approved
004	ALTERNATIVE EDUCATION PROGRAM	31	18	58%	Y	Y	N	Approved
005	COTULLA DAEP	5	5	100%	Y	Y	N	Approved
041	NEWMAN MIDDLE SCHOOL	230	199	(area eligible) 87%	Y	Y	Y	Approved
101	RAMIREZ EL	171	143	(area eligible) 84%	Y	Y	Y	Approved
102	BURKS EL	312	230	(area eligible) 74%	Y	Y	Y	Approved
104	ENCINAL EL	85	74	(area eligible) 87%	Y	Y	Y	Approved
<b>Totals:</b>	<b>7</b>	<b>1153</b>	<b>892</b>	Area Eligible Snack: 4 Regular Snack: 0 Total Snack: 4	<b>7</b>	<b>7</b>	<b>4</b>	



Click cancel to select another Schedule A.

